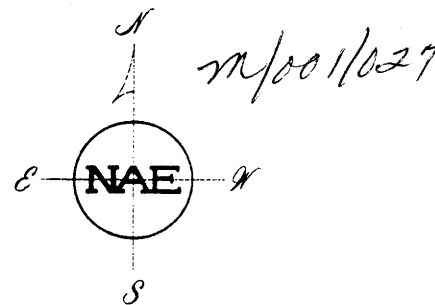


# NORTH AMERICAN EXPLORATION, INC.

GEOLOGY    GEOPHYSICS    GEOCHEMISTRY    ENVIRONMENTAL SERVICES



September 6, 2002

Mr. Thomas Munson  
Utah Department of Natural Resources  
Division of Oil, Gas and Mining  
P O Box 145801  
Salt Lake City, Utah 84114

Dear Tom:

Here is our application to amend Basin Perlite Company's Large Mine Permit M/001/027 located in Beaver County. This amendment is proposed to better handle mine waste and plant reject material for the perlite operation.

This application would adjust the permit area boundary as follows:

	<u>Current Acreage</u>	<u>Additional Acreage</u>	<u>Total Acreage</u>
1. Pearl Queen Mine (State land)	19.3	0.9	20.2
2. Pit No. 3 (Schoo Mine) (Federal land)	4.86	9.0	13.86
3. Connecting Haul Road	<u>0</u>	<u>1.2</u>	<u>1.2</u>
	24.16	11.1	35.26

An approved cultural resource survey has been completed on all affected State lands but additional work will be required on Federal lands near the Schoo mine. Additional lands to be permitted do not include known cultural resource sites - particularly site LC-10 which may be under consideration for further action should mining take place.

Approval of this application should result in improved environmental conditions at the mine site, such as slope stability, erosion control, air quality, and safety. We appreciate your past support and look forward to working with you on this permit amendment.

Sincerely,

O. Jay Gatten  
Consultant

OJG/la

Enclosures

Cc: E. Ginouves - USBLM (w/encls)

J.T. Blake - SITLA (w/encls)

W.R. Wilson - Basin Perlite Co. (w/encls)

T. Hall - Basin Perlite Co. (w/encls)

Project

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